

Redispatch, conditional firm service seen important for intermittent generation

Redispatch and conditional firm service can help to address current deficiencies in the availability of long-term point-to-point transmission service, the American Wind Energy Association and the Electric Power Supply Association said Dec. 15 in comments to FERC.

FERC issued a notice of proposed rulemaking on preventing undue discrimination and preference in transmission service in May in which it proposed to modify redispatch associated with long-term firm point-to-point transmission service. FERC also sought comments on whether the creation of a conditional firm product would be a better way to address circumstances under which firm transmission service can be provided in most, but not all, of the hours of the request.

Based on the comments it received, FERC on Nov. 15 asked for additional comments on the proposal of a group calling itself the "Transparent Dispatch Advocates" for transmission providers to post prices and provide real-time redispatch and specific questions about the provision of conditional firm service.

FERC asked interested parties whether conditional firm service should be available for all long-term requests, including those of 20 to 30 years, or offered only as a bridge service where the customer agrees to pay for transmission system upgrades and conditional firm service is provided until those relevant upgrades are constructed.

EPSA and AWEA told the commission that many transmission providers have said their systems only allow them to define conditions for one year. "As a result, they would want to guarantee conditions one year at a time and to be able to then change the conditions such as by adding new contingencies or time periods for the conditional service," the two groups said in their comments.

However, the risk of having new or expanded conditions placed on the service would make it "useless" for the financing of new projects, EPSA and AWEA said. If required to commit upfront to the conditions and continue them for an entire long-term service agreement, transmission providers "would take on no greater risk than they do today committing to long term (unconditional) firm transmission service," AWEA and EPSA added.

The Western Governors' Association said in a Nov. 28 letter to FERC that conditional firm and redispatch services are important to fully utilize the existing transmission grid and enable new intermittent generation resources to reach markets. Conditional firm transmission service and redispatch are important recommendations in the WGA's clean and diversified energy initiative, the letter said.

"Greater use of the existing transmission system is a necessary complement to the concerted effort of Western Governors to expand the western transmission system. To build the case for transmission expansion, it is important to demonstrate that the existing grid is being effectively utilized," the letter said. "FERC's approval of conditional firm transmission service and re-dispatch will help make this necessary demonstration."

In comments Dec. 14 to FERC, Duke Energy Carolinas LLC , a subsidiary of Duke Energy Corp. , said that it disagrees with the Transparent Dispatch Advocates' recommendation that a mandatory redispatch service should be added to the pro forma open access transmission tariff.

Duke said that in non-RTO regions with high levels of congestion and incidents of curtailments and interruptions of firm service, it may make sense for individual transmission providers to add some form of a "redispatch service" to their OATT. However, the commission should "provide sufficient flexibility for stakeholders within such areas to fashion the contours of redispatch protocols that meet the needs of the region," the comments said. The Duke Energy Carolinas system rarely experiences congestion severe enough to require curtailment or interruption of firm service, the company said. (RM05-17, RM05-25)